

Modulating U.S. Confrontation with Russia and Iran

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Course 5604: The Geostrategic Context
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Introduction

On February 15, 2001, U.S. Secretary of Defense Donald Rumsfeld accused Russia on national television of being a major source of missile technology proliferation. In the course of a discussion about the defense budget and a national missile defense, Rumsfeld said: "Russia is an active proliferator; they are part of the problem. They are selling and assisting countries like Iran and North Korea and India and other countries with these technologies which are threatening other people including the United States and Western Europe and countries in the Middle East."¹ Rumsfeld echoed the conclusions of Director of Central Intelligence Tenet in a statement made a week earlier before the Senate Select Committee on Intelligence. Tenet noted Iran was one of three countries

posing a serious ballistic missile threat to the United States and its interests and fingered Russia as a primary source of ballistic missile technology for Iran.² Bashing Russian proliferation is a favorite sport in Washington³; it demonstrates our concerns about Russia and Iran as individual nations as well as how they interact with each other. And it underscores the difficulty we face as we assist Russia in its transition to a market-based economy with strong democratic values, as we encourage the emerging democracies in the Caucasus to bend West instead of North, South, or East, and as we pursue a strong policy of containment toward Iran. In my view, our current strategy relative to relations between Russia and Iran is too extreme: we should modulate our political discourse on proliferation with Russia to reflect a more pragmatic and less dogmatic tone, we should broaden our approach to the Caucasus to encourage more balanced relations with its neighbors to the North and South, and we should refine our containment policy toward Iran to bring us in sync with our allies and other partners in the region on trade and other relations.

The Russia-Iran Context

Russia and Iran have long been competitors for hegemony over Central Asia on both sides of the Caspian Sea, but particularly in the Caucasus. The borders between Iran and Russia shifted dramatically and frequently over the past 300 years. With the fall of the Soviet Union and the rise of newly independent

states, Russia and Iran continue to compete for dominance in the region.⁴ An example of regional competition with Iran occurred following the discovery of new oil resources in the Caucasus. Azerbaijan's confirmed oil reserves in the Caspian Sea were large enough to encourage US and other oil companies to sign oil production agreements. Iran was eager to move Azeri oil through its pipelines southward, while Russia urged use of its existing pipeline to the north. Caspian Sea oil thus became a new excuse for Russian and Iranian rivalry to play itself out.

Russia's relations with Iran are also influenced by its competition with the United States and NATO. The close proximity of Turkey and unresolved issues concerning NATO enlargement may push Russia to develop even closer ties with Iran. The Wall Street Journal cites Russian policy advocates encouraging the sale of nuclear and missile technology to Iran as a counter to NATO's threat to Russian vital interests.⁵ Regional and grand game competition alone, however, do not fully account for either Russia's or Iran's behavior. Other factors play strong roles, factors that make Russia and Iran collaborators as well as competitors.

Of primary importance is Russia's economic need. The collapse of the Soviet Union left the Russian economy in tatters. Eager to generate hard currency to restructure and rebuild itself, Russia developed customers in the region, including

Iran, for its conventional military hardware, and its nuclear energy technology.⁶ Political control of Russian WMD-related technology and resources were seriously eroded as well. Americans worried loudly that Moscow had little or no control over individuals or institutions holding ballistic missile technology and components, who were succumbing to financial pressures from eager bidders in countries of concern.⁷ We watched in horror as most major industries in Russia landed in the control of heavy-handed, amoral robber barons, who gave scant heed to Moscow and its economic reform plans *du jour*. Who was minding Moscow's ballistic missile technology bazaar? Throughout the 90's we encouraged and assisted Russia to establish effective export controls for sensitive technology and even sanctioned a dozen Russian organizations complicit in illicit technology transfers, but by the turn of the century many felt we had done too little, too late.⁸

Russia economic woes were exacerbated by a number of other factors: declining health of Russian citizens, growing organized crime, and unchecked corruption in all aspects of government.⁹

US Interests

Our primary interest vis-à-vis Russia is maintaining Russia's stability in order to ensure control over its nuclear arsenal, and to avoid the potential negative consequences of instability along any of Russia's bordering regions. We also

want to prevent the proliferation from Russia of missile and other WMD technology to Iran or any other country seeking to develop a WMD capability. This fits snugly into our dual containment policy in the Gulf region and our policies in the Middle East, in which we safeguard our interest in maintaining peace and commerce in the Persian Gulf and protection of our ally, Israel.

In addition, we have an interest in assisting newly independent and weak states in the Central Asia region to become stable, effective democracies that would be able to stand on their own without being dominated by Russia or Iran, while supporting expanding development of US commercial interests in the region.

Threats and Challenges Abound

Russia is not a robust dynamo on the clear road to economic recovery. It faces tremendous economic challenges, including aging industrial infrastructure and a lack of financial and legal institutions essential to attracting investment and sustaining development. It also faces many challenges to government authority. Oligarchs with deep commitments to organized crime control major industries and wield unhealthy power and influence in Russia. Corruption at every level of government stymies attempts at reform and renewal.

Add to this the fact that the Russian is a huge country, with many ethnic subcultures, some unhappy with Russian rule. Chechnya is the most obvious

example. And even though the Russian majority supports Putin's ruthless suppression of the Chechen rebellion, Putin runs the risk of alienating other Muslim minorities in the Federation. In 1998, Iran tried to play the Islamic card by vocally denouncing Russia's renewed war against the Chechens and calling for Russia's overthrow. Two years later the pendulum swung back; in December of 2000, Russian and Iranian defense ministers proclaimed "Today marks a historic day in Iran-Russian political ties" citing concrete decisions "to expand and deepen all kinds of long-term military, security and defense relations."¹⁰ One wonders, however, if the time were right, would Iranian calls for Islamic supremacy and solidarity find greater resonance within Russia and among its Islamic neighbors to the south and east and thereby seriously challenge stability in the region.

The US proposal for a national missile defense (NMD) has emerged as a serious irritant to the Russians, one that may send them into the arms of Iran and others with interests adverse to the United States. Rumsfeld's provocative statements on the Jim Lehrer News Hour were viewed askance by the Russians: they insist they abide by their agreements, that they do not proliferate, and that US officials make inflammatory statements now to either inflame US domestic fears of a missile threat or to position themselves for negotiations with the Russians and others on the missile defense system.¹¹ Our containment

policy toward Iran drives us to artificial objectives: A prime example is our avid support for the Black Sea pipeline for Azerbaijani Caspian Sea oil. We were intent on denying Iran any possible role in developing Azerbaijani oil at a time when the project was highly speculative and not commercially viable. With a heavy hand we hawked the project throughout the Caucasus and among the allies to try to force an incipient project into early blooming.¹² The result was negative in two ways: it alienated the Russians, who questioned our motives for pushing so hard for an option that bypasses them. And it angered the Iranians, who had their own scheme for bringing Azeri oil to market. By excluding Iran, we ignored the fact that Azerbaijani oil interests in the Caspian are bound up in disputes among the other littoral states about rights to offshore resources. Iran, as a party to legal disputes, must play a role in resolving oil issues in the Caspian Sea. By excluding Iran entirely from our development equation, we created the conditions for animosity and distrust down the road. And this is at a time when Iran was beginning to signal a willingness to try to improve relations.¹³

The United States finds itself virtually alone in its containment and sanctions policies towards Iran. Our attempts to isolate Iran have resulted in our own isolation. Our isolation drastically diminishes the effectiveness of any controls we unilaterally impose; our competitors -- among whom are our closest allies -- are able to take advantage of our righteous retreat and fill commercial niches we

have abandoned.

We are isolated in our extreme views on nonproliferation as well. It is hard to find anyone to share our view that the sale of light water reactors to Iran by Russia under IAEA safeguards contributes directly to Iran's nuclear weapons program. The Russians scoff at our objections, given our plan to build the same kind of reactors in a pariah state like North Korea.¹⁴ And yet it figures prominently in the litany of Russia's proliferation peccadilloes every time we raise the issue. It appears to be an emotional argument for domestic consumption rather than a serious argument on which experts would readily agree.

Is there a Silver Lining?

In spite of horrendous social problems facing Russia and a very hard road ahead to achieving its economic goals, one encouraging note is the current high price of oil. Russia maintains over \$20 billion in hard currency reserves, which may take some of the pressure off that drives the undesirable sale of sensitive technology to the highest bidder.¹⁵ High oil prices also make the development of additional oil reserves in the Caspian region profitable. Profits from Caspian oil should give some economic relief to the Caucasus and give them cash to modernize their infrastructure and social systems.

But if Russia profits from higher oil prices, so does Iran. And the more hard currency it has, the more it can spend acquiring weapons of all kinds,

weapons we would prefer Iran did not obtain.

More significant, however, is Putin's recentralization effort. Sam Nunn used to argue the Russia was so decentralized that we needed a two-pronged policy of engagement at federal and regional levels on all important bilateral issues.¹⁶ But in recent months, Putin has systematically weakened every source of independent power in the Russian Federation, and he has done so while maintaining strong popular support.¹⁷ While we worry that recentralization means the demise of democratic impulses and a return to authoritarian rule, it may also result in improved control by Moscow over missile and other WMD technologies and a reduction in Russian proliferation. It is too early to tell, but to the extent that Russia proliferates due to the lack of central control, reestablishing that control may diminish the problem.

Clash of Objectives

Our national security objectives in the Caucasus are clearly at variance with those of both Russia and Iran. Russia wants to maintain dominance over the newly independent states in the Caucasus, whereas we want neither Russia nor Iran to dominate them. Iran is less heavy handed toward the Caucasus than Russia, but it clearly wants to avoid competition with another pipeline leading westward and wants to keep Russia at bay. It also wants to avoid increasing Azerbaijani influence among the large Azeri population in northern Iran and to

this end encourages Russia's support of Armenia's destabilizing conflict with Azerbaijan over Nagorno-Karabagh.¹⁸

Our nonproliferation objectives also clash: while Russia claims to support nonproliferation, it does not have effective controls in place to keep some items from getting into the hands of Iran and others. Russia also has no qualms about building energy producing nuclear reactors for Iran and either does not care or does not buy into our arguments that they support Iran's nuclear weapons program. No one disputes that Iran is trying to develop WMD and missiles to carry them, which is clearly at odds with our desire to refuse Iran supporting technology and products.

Russia and the United States firmly share the objective of keeping Russia's nuclear arsenal under effective control. Iran would like to obtain nukes from Russia if it could, but Russia isn't selling.

Russia shares our objective of keeping the gulf region stable, too, but differs with us on the impact upon stability of its sale of conventional weapons to Iran. Thus it does not support our containment objectives.

Means at our Disposal

The tools at our disposal to coerce Russia into towing the nonproliferation line are limited. We engage them diplomatically at all levels. We've assisted them to establish and implement control regimes, which work poorly, when they

work at all. We implement automatic sanctions against organizations in Russia that let items and technology of concern go to Iran. We try in all international nonproliferation fora to convince and cajole the Russians to see things our way. And yet we fail to bring them around to our way of thinking. Nor are they alone in rejecting some of our dearest positions on nonproliferation.

Likewise, Iran carries on quite well despite our containment policy. And because we have no meaningful ongoing ties with the government of Iran and few contacts with its people, we have virtually no influence with Iran's leadership. We find little resonance with our concerns about many aspects of Iran's missile development programs, even among our allies. Our commercial embargoes find even less support. In addition, our containment framework causes us to engage in the Caucasus in a manner doomed to failure: no matter how hard we try to keep Iran out of decision making concerning oil issues in the Caspian Sea, we cannot succeed in doing so. Iran is part of the geography and must be part of the solution.

Strategic Options

I have argued that our current nonproliferation strategy towards Russia and Iran is not effective and that our current policy of containment distorts our efforts to encourage stability and development in the Caucasus region. In order to remedy these deficiencies I suggest the following:

1. Our general interests in enhancing Russia's stability and restructuring remain unchanged. But our nonproliferation policies are ineffective and a constant source of discord between us bilaterally, and have become a source of disagreement between our allies and us. I recommend we modulate our discourse with Russia on nonproliferation. We should refrain from public excoriation of Russia, and make a genuine effort to bring Russia into a common nonproliferation framework with our allies. Though the issues are contentious, it could be the basis for increased trust and cooperation in other areas. And in any case, we can enhance the atmosphere of cooperation with Russia if we cease from treating it like a whipping boy, whose sins old and new we continually aired in a wide variety of public fora. Modulating our public statements about Russia is a first step. Following up this new posture with Russia and our allies to reach consensus on nonproliferation objectives will take time, but engages Russia in a team effort which will build confidence and work toward achievable nonproliferation controls, both of which are worthwhile.
2. In our relations with the independent states of the Caucasus we should adopt a more inclusive approach to problem solving. Though we continue to want these states to be free of domination from either Russia or Iran, we should encourage confidence-building measures with both, since regional problems require all parties to create solutions. For example, we might begin by finding a way to include Iran in discussions of future pipelines. We might find this possible at first through intermediaries. If the Mediterranean port pipeline is commercially feasible, we might encourage development of dual pipeline options including one in Iran as a confidence building measure. In no case should we base our policy in the Caucasus solely on a rigid commitment to containment of Iran.
3. Which brings me to my final recommendation: Redefining our containment policy toward Iran to bring us into better alignment with our allies and our developing security interests. As part of an effort toward redefinition of our nonproliferation objectives among the allies and Russia, I believe we could enhance our strategic posture by beginning the long

process of reconstructing an effective and trusting relationship with Iran. Though change may be incremental on the part of the Iranian leadership, we need to preposition ourselves to take advantage of every opportunity to improve relations. Initial steps might include removing unilateral sanctions except against the most egregious behavior, such as acts of terrorism clearly directed against our allies or us. We should also remove any remaining multilateral sanctions that are ineffective.

Several reasons suggest themselves to support this change: Most obvious is that most Iranians do not view us as the enemy any more. We enhance this positive view among Iranian youth and moderate politicians by taking overt positive steps towards Iran. More importantly, we signal that we are ready to move beyond past grievances and create a new relationship. Clearly, such an initiative would require exceptional leadership on the part of the new administration. This means engagement on an entirely new level, akin to our engagement of China. Success, however, would enhance all of our security objectives, increase our prosperity, and enhance unity among the allies.

Conclusion

In two important ways – in our policy of containment toward Iran and in our nonproliferation posture towards Russia – America has shown it is willing to clutch desperately to tired strategies that have outlasted their utility. Our public haranguing of Russian nonproliferation failures and our attempts to isolate Iran are not effective and damage opportunities to influence and shape the future with these two important nations. My recommendation to modulate our

nonproliferation dialogue with Russia and to abandon our tired containment policy towards Iran in favor of reconstructing a positive relationship are pragmatic attempts to realign our strategy along paths that may lead to more effective cooperation. I do not advocate sudden, ill considered moves motivated by naive or Pollyannaish wishful thinking, but rather gradual and considered modulation and reconstruction in concert with our allies.

NOTES

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2. George J. Tenet, *Worldwide Threat 2001: National Security in a Changing World*, Statement by Director of Central Intelligence George J. Tenet before the Senate Select Committee on Intelligence, February 7, 2001, in *Speeches and Testimony*, Director of Central Intelligence, CIA Homepage, (www.cia.gov), 2-3.
3. Numerous sources document United States government claims that Russia is a primary proliferator to Iran's program to develop weapons of mass destruction and their delivery systems. Among them are: Lt. Gen. Patrick M. Hughes, "Global Threats and Challenges: The Decades Ahead", prepared statement before the Senate Armed Services Committee, February 2, 1999, in *American Forces Information Service Defense Viewpoint*, DefenseLINK, U.S. Department of Defense, (www.defenselink.mil/speeches), 4-9; *Proliferation: Threat and Response 1996, The Middle East and North Africa*, Office of the Secretary of Defense, (Washington, D.C., U.S. Government Printing Office, 1996), in *DefenseLINK*, U.S. Department of Defense, (www.defenselink.mil/pubs/prolif/), 4-6; *Proliferation: Threat and Response*

1997, *The Middle East and North Africa*, Office of the Secretary of Defense, (Washington, D.C., U.S. Government Printing Office, 1997), in *DefenseLINK*, U.S. Department of Defense, (www.defenselink.mil/pubs/prolif/), 5-9. See also; *A Report Card on the Department of Energy's Nonproliferation Programs with Russia*, Howard Baker, Lloyd Cutler, Co-Chairs, Russia Task Force, January 10, 2001, the Secretary of Energy Advisory Board, (Washington, D.C., Department of Energy, 2001), vi. This report summarizes the findings of an advisory board recommending large investment in programs in Russia to reinvigorate controls over Russian fissile materials and atomic energy facilities, equipment, scientists and technicians. It notes Russia's vulnerability as a source of proliferation.

4. Sandra Mackey, *The Iranians: Persia, Islam, and the Soul of a Nation*, (New York, Penguin, 1996), 1-10.

5. Alvin Z. Rubinstein, "America's Stake in Russia Today," *Orbis* 41, no. 1 (Winter 1997), 34.

6. Paul Mann, "Russia-Iran Link Fuels Nuke/Missile Threat: Economic Crisis Spurs Menacing Seepage of Russian Technology, Imperiling Proliferation Restraints," *Aviation Week & Space Technology* 150, 18 January 1999, 22.

7. See note 3, above.

8. Paul Mann, "Russia-Iran Link Fuels Nuke/Missile Threat: Economic Crisis Spurs Menacing Seepage of Russian Technology, Imperiling Proliferation Restraints," *Aviation Week & Space Technology* 150, January 18, 1999, 22.

9. John Dillin, "The Incredible Shrinking Russia," *Christian Science Monitor*, 22 February 2001, 1-3 in Features, Ideas, Special Report (www.csmonitor.com)

10. Molly Moore, "Russia and Iran Renew Military Partnership: U.S. Warnings Dismissed," *The Washington Post*, 29 December 2000, A1.

11. “Russia Angry on Missile Allegations,” *AP*, 15 February 2001.

12. Stanley Kober, “The Great Game, Round 2: Washington’s Misguided Support for the Baku-Ceyhan Oil Pipeline,” *Foreign Policy Briefing No. 63*, (Washington, D.C., Cato Institute, 2000), 7-8.

13. Ibid.

14. Toby Harnden and Marcus Warren, “Russia Selling Atomic Know-how, Says US,” *Telegraph*, 16 February 2001, 1-2, in (www.telegraph.co.uk).

15. Anders Aslund, “State of the Russian Economy,” a lecture given on 18 January 2001 to the Russian RSS seminar held by Dr. Melvin A. Goodwin, National War College, National Defense University, Washington, DC.

16. Sam Nunn and Adam Stulberg, “The Many Faces of Modern Russia,” *Foreign Affairs*, March/April 2000, 45-62.

17. Michael McFaul, “Putin in Power,” *Current History*, October 2000, 308.

18. Jonathan Aves, “National Security and Military Issues in the Transcaucasus: The Cases of Georgia, Azerbaijan, and Armenia,” in *State Building and Military Power in Russia and the New States of Eurasia*, edited by Bruce Parrott, (New York: M.E. Sharpe, 1995), 221.

APPENDIX

Key Questions to Raise During the RSS Trip to Russia

Questions for American Interlocutors in Russia

- What successes have you experienced in implementing nonproliferation

controls in Russia?

- What areas of disagreement in nonproliferation matters you do observe?
- Is the disagreement on policy or in the details of controlling individual items?
- What role does corruption play in nonproliferation failures?
- What impact does NMD have on your nonproliferation dialogue with Russian officials?
- Do you believe Putin's recentralization actions will have a positive impact on proliferation controls?
- If Russians don't care about nonproliferation, why not?
- Do you perceive a warming of relations with Iran?
- What impact will that have on nonproliferation by Russia?
- Will increased sales of military and other security and defense items to Iran have an impact on regional stability in the Caucasus?
- What role do you see Iran playing in the Caucasus region?
- Do you perceive a growing threat of Islamic discontent in Russia?
- Do you believe improved relations with Iran will reduce the threat of Islamic insurgency in Russia?
- What impact will improved relations with Iran have on Russia's actions in

Chechnya?

- Do you see evidence that Russia is decreasing its military presence in the Caucasus?

Questions for Russian Interlocutors in Russia

- How do you perceive US attitudes towards proliferation controls in Russia?
- Do you believe Russian proliferation controls are adequate?
- Do you believe Iran is trying to develop a nuclear weapons program?
- Do you believe Russia and the United States should try to keep Iran from developing nuclear weapons and their delivery systems?
- Do you believe there is room for cooperation with the United States on a missile defense system?
- How could we cooperate?
- What is the greatest threat to Russia's security?
- Do you believe Russia is vulnerable to a missile attack by a rogue state or actor?

- How long do you think Russia will keep troops in Georgia and Armenia?
- Do these troops play an important part in creating stability in the Caucasus?
- How could stability in the Caucasus improve even more?
- Do you see Iran as a competitor in the Caucasus?
- Do you believe Russia is getting its fair share of oil in the Caspian Sea?
- If not, why not?
- Do you believe stability and security would be improved if the United States and Iran normalized relations?